

BOARD OF FORESTRY AND FIRE PROTECTION

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**Staff Report: Forest Practice Committee**

April 9, 2018

In preparing the Economic and Fiscal Impact Statement (std 399), Board staff reviewed the economic analysis of previous, related regulation, as well as comparable permitting processes which may accomplish similar harvesting goals as the Drought Mortality exemption. Ultimately, Board staff relied upon the previously approved economic analysis which was performed for the initial adoption of the Drought Mortality exemption as regular rulemaking, using revised costs and timelines, and current usage rates and log values to determine the updated costs and benefits associated with the extension of the exemption an additional three years.

Board staff reviewed both the fiscal effects on state government and the cost impacts that a representative person or business would incur in reasonable compliance with regards to the Drought Mortality exemption and alternative permitting options of an emergency notice for fuel hazard reduction, a full THP, and an NTMP/WFMP (see table below for representative impacts generated from previous economic analysis).

All evaluated permitting options require some level of review by the Department and will have some fiscal impact on state government. However, while the Drought Mortality exemption only requires review for completeness and accuracy, with optional field review, all others require multiple forms of review by the Department, including stocking reviews, public-comment reviews, or any other form of review as necessitated by the individual Plan. While the fiscal impacts related to the Drought Mortality exemption are limited, the impacts related to THP, emergency notice, and NTMP/WFMP vary significantly and can result in costly impacts to state government.

In terms of economic impacts to a representative person or business, the Drought Mortality exemption can be prepared by a landowner, though an RPF is required if the harvest area exceeds 20 acres on a contiguous ownership, drastically reducing the possible economic impact to a small landowner. All alternative permitting options require an RPF for preparation and, to some extent, ongoing administration. Additionally, all alternative permitting options may require extensive surveying, inventory, or other auxiliary plan preparation costs, which can vary greatly and result in costly impacts to an individual.

Permitting/Plan Cost Matrix

	Fiscal Effect on State Government	Plan Preparation Costs/Costs to a Representative Person/Business for Compliance
Drought Mortality Extension	\$138 per Plan	\$50-5,000 per Plan
Emergency Notice	\$500-\$3,500 per Plan	\$1,500 - \$5,000 per Plan
THP	\$1,000-\$5,000 per Plan	\$5,000-\$35,000 per Plan
NTMP/WFMP	\$100,000-\$150,000 per Plan	\$100,000-\$500,000 per Plan